DRAFT MEETING SUMMARY
Executive Order B-37-16
Water Shortage Workshops
August 31, 2016 | Sacramento, CA
CA Department of Water Resources | State Water Resources Control Board | CA Department of Food and Agriculture | CA Public Utilities Commission | CA Energy Commission

Prepared by the Center for Collaborative Policy (CCP)

Meeting Objectives

- Present and receive comments on a framework and key concepts that would result in Water Shortage Contingency Plans (WSCP) that water suppliers are able to implement quickly and effectively during statewide droughts as directed in EO B-37-16.

Background

On May 9, 2016, Governor Edmund G. Brown Jr. issued Executive Order B-37-16 (EO). This EO builds on the conservation accomplished during the recent drought and implementation of the Governor's California Water Action Plan and temporary statewide emergency water restrictions to establish longer-term water conservation measures, including permanent monthly water use reporting, new permanent water use standards in California communities, and bans on clearly wasteful practices (e.g., hosing off sidewalks, driveways, and other hardscapes). The full text of the EO can be found online at http://www.water.ca.gov/wateruseefficiency/conservation/.

The EO designates several responsibilities to the Department of Water Resources (DWR), California State Water Resources Control Board (SWRCB), Department of Food and Agriculture (CDFA), California Public Utilities Commission (CPUC), and Energy Commission (CEC) (collectively, the EO State agencies) to satisfy the EO Directives. The EO State Agencies have been working in project teams (collectively, the EO Project Teams) to address the various components outlined in the EO Directives.

The EO specifically directs DWR and SWRCB to consult with urban suppliers, local governments, environmental groups, and other partners to update requirements for water shortage planning, directly in relation to EO directives #8, #9 and #10:

> **EO #8**: *The Department shall strengthen requirements for urban Water Shortage Contingency Plans, which urban water agencies are required to maintain. These updated requirements shall include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. While remaining customized according to local conditions, the updated requirements shall also create common statewide standards so that these plans can be quickly utilized during this and any future droughts.*
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> **EO #9**: *The Department shall consult with urban water suppliers, local governments,*

environmental groups, and other partners to update requirements for Water Shortage Contingency Plans. The updated draft requirements shall be publicly released by January 10, 2017.

EO #10: *For areas not covered by a Water Shortage Contingency Plan, the Department shall work with counties to facilitate improved drought planning for small water suppliers and rural communities.*

This meeting was a public workshop to discuss and receive suggestions on a framework for the development of Water Shortage Contingency Plans (WSCPs). Several members of the Urban Advisory Group (UAG) were in attendance, though the workshop was heavily comprised of public members representing water agencies. DWR staff provided presentations on proposed concepts for WSCP framework design, then looked to participants to provide input and offer suggestions on how this framework might be structured.

Workshop Summary

(*Refer to Appendix A for the meeting presentation slides and Appendix B for the Draft Discussion Paper for improving WSCPs*)

Unless noted otherwise, responses are from the WSCP Project Team, which includes CA Department of Water Resources (DWR), State Water Resources Control Board (SWRCB), CA Department of Food and Agriculture (CDFA), CA Public Utilities Commission (CPUC), and CA Energy Commission (CEC) (collectively EO State Agency staff and independent consultants.

A. Recurring Themes

- Participants expressed support for the general framework and understanding for why the State wants a coordinated response to a water shortage emergency; however they shared several concerns with the possible process and details on how to implement the new requirements.
- What is the timeframe for implementing the new WSCP requirements, and what is the expected change in level of effort?
- What exactly are the shortcomings of the current WSCP assessments? Will DWR evaluations of WSCP be made available? Water agencies cannot offer specific suggestions without shared understanding of others' WSCPs and DWR's review.
- Water reliability assessment information that appears to be lacking in the current WSCPs may be readily available in other documents that water agencies provide to EO State Agencies.
- A singular percentage reduction standard applied statewide does not work. It can cause unintended consequences (e.g., less cooperation from customers).
- Expand the definition of stages beyond reduction measures. Allow for flexibility in what might trigger WSCP stages and how suppliers respond to an emergency (beyond demand reduction). A supplier may switch to groundwater or invoke a water transfer. If the State imposes a statewide conservation standard, suppliers cannot transfer water to those that may need it.
- Scenario-planning needs to be linked to the likelihood of its occurrence for a water agency.
- Enacting a statewide or regional conservation mandate seems unnecessary if each supplier has its supplier-specific triggers for the WSCP stages, and suppliers implement their specific actions for a particular emergency stage.

- The State should help local water suppliers communicate with one another and other local agencies (e.g., County Office of Emergency Services) to develop a coordinated regional response to water emergencies. The State agencies should also ensure they communicate with one another to share data to develop a shared approach to these water shortages issues.
- "Long-term demand reduction" implies the State wants to cap supply augmentation investments. Consider rephrasing it as, "long-term investment for short-term drought response capabilities."
- Clearly differentiate that the long-term conservation and efficiency efforts to achieve established water targets are very different from how a supplier might respond to an emergency though it's WSCP.
- In order to ensure customer compliance and plan accordingly, water suppliers require transparency from the State regarding what may trigger a regional or statewide reduction mandate. This transparency requires the same level of detail that suppliers must provide in their UWMPs and WSCPs. If water agencies know exactly what might trigger State intervention, they can better plan to avoid such an outcome.

B. Welcome, Introductions, and Agenda Review

Diana Brooks and Kent Frame, DWR, welcomed attendees to the Water Shortage Workshop and reviewed the meeting objectives.

C. Overview of EO Directive Implementation and Developed Framework

(Refer to presentation slides 2-9, Appendix A)

Kent Frame, DWR, reviewed EO Directives #8 and #9 (*Refer to Appendix C*), which outline DWR's responsibilities to strengthen local drought resilience. He then presented the WSCP Project Team's proposed framework to address the EO Directives, including a table demonstrating the possible flow of actions between the State and urban suppliers to plan, assess and respond, and report WSCPs (as part of Urban Water Management Plans [UWMP]) and assessments.

Stephanie Lucero, Center for Collaborative Policy Facilitator, reviewed the agenda, meeting ground rules, and provided webinar instructions. She emphasized emailing written comments to wue@water.ca.gov and reviewed the websites where meeting materials and updates will be posted. She informed participants that the primary purpose of the meeting was to provide an opportunity for the EO State agencies to receive stakeholders' input on WSCP framework development.

D. Overview of Executive Order B-37-16 Directive Implementation

Mr. Frame briefly described the context for the EO and the EO directives associated with the topic of this workshop, including the context for developing a draft WSCP framework per existing statutory language. He then reviewed the activities taken to date and future planned activities by the EO State Agencies that will serve to meet the directives outlined in the EO.

Mr. Frame next described the focus of the WSCP framework, and emphasized the importance of ensuring the framework includes standards, and assures quick response by agencies in times of

emergency. Key feedback on the draft WSCP framework received by UAG members and the public at the 08-31-16 Sacramento workshop was shared, before a framework overview was provided.

He then projected a diagram and described the following four key components (or phases) of a WSCP, and the corresponding roles of the urban supplier and state agencies:

1. Plan
2. Assess
3. Respond
4. Report

E. WSCP Framework: Planning and Assessing Supply and Demand

A review of the proposed responsibilities related to WSCP framework planning was provided. *(Refer to presentation slides 10-14, Appendix A)*

Discussion from Workshop participants was prompted with two questions related to **planning**:

1. *When performing drought risk analysis, should temporary supply augmentation sources be included before or after assessing actual or projected supply?*
2. *Where is WSCP consistency across a region or the state needed?*

And three discussion questions related to assessing supply and **demand**:

1. *Does the basic draft framework adequately improve local drought planning and better accountability and meet the objective of EO#8?*
2. *What may be other key objectives of EO#8?*
3. *How could a water supplier quickly implement and fund a WSCP?*

Clarifying Questions

- Did previous meetings discuss the difference between retailers and wholesalers, and how that differentiation might affect the structure in WSCP requirements?
    - Response: We received a few comments that we should be aware of the differences between retailers and wholesalers. For now, the team is looking at the overall framework.
- What exactly are the shortcomings of the current WSCP assessments?
    - Response: Based on our WSCP reviews thus far, assessments vary widely. Plans do not conduct a thorough risk assessment of supply and demand scenarios or planning over successive years. The EO calls for increased preparedness for more frequent or severe droughts; most assessments use the three driest years on record, which does not consider drought duration or frequency. Also, several plans did not identify what might trigger a response action. The goal is to help suppliers explore more accurate scenarios and be able to respond more quickly and effectively.
- Are the WSCPs that lack robust planning out of compliance? Are EO State Agencies working to bring these water agencies into compliance with the Urban Water Management Planning Act (UWMPA)?

- Response: Currently DWR can only review a UWMP for completeness. UWMPs can have all the information to be "complete" and still lack the details and planning elements to be effective. Suppliers are often encouraged to comply with UWMP requirements to be eligible for funding.

- When will suppliers need to submit UWMPs with the new WSCP requirements?
  - Response: The next UMPW update will occur in 2020; however depending on if/how the current drought continues, suppliers may need to implement the new WSCP actions as early as next year.
- Will DWR's evaluations of WSCPs be made available? Water agencies cannot offer specific suggestions without shared understanding of others' WSCPs and DWR's review.
  - Response: The Project Team has been reviewing WSCPs from 2015 and 2010 UWMPs. They have been focused on developing the framework, but intend to provide an updated analysis. The plans vary widely, and identifying who had water problems before 2015 and why presents a substantial challenge. We plan to conduct one-on-one interviews with the agencies DWR reviewed to better understand their situation. We welcome suggestions from anyone who knows of an agency who had a water problem and how the agency addressed it.
  - [UAG Member]: The unexpected 25% reduction mandate likely affected water agencies' UWMPs significantly, which could explain some of the variance among plans.
- Does the action flow chart (*Refer to Slide 8*) indicate that DWR will review plans and send back if the plans do not meet the new criteria on the five-year basis; this will be in addition to suppliers complying with SWRCB's annual stress tests? How have DWR and SWRCB divided the roles and responsibilities for this effort?
  - Response: Those details have yet to be determined. We have a Reporting, Compliance, and Enforcement (RCE) team charged with addressing issues such as these.
- How does DWR envision integrating standardized requirements into the WSCPs while still providing flexibility for each supplier?
  - Response: The current framework the team is proposing includes standardized stages in response to an emergency. Those stages demand a reduction based on local assessment. Local agencies will have flexibility in how they achieve that reduction. Suppliers may operate at different stages depending on the range of the emergency. In the more extreme and widespread emergencies, the State may institute a regional (or at the very extreme, a statewide) "stage."
- Will all suppliers need to prepare WSCPs, even those who do not currently have an UWMP?
  - Response: The EO Directive includes all suppliers with 3000 or more connections or who supply 3000 or more acre feet of water annually. However, EO Directive #10 instructs DWR to work with the counties to develop drought contingency plans for areas not covered by WSCP, including small water suppliers and rural communities.
- How does DWR define a "region" in this UWMP/WSCP context?
  - Response: Currently the team uses the term broadly. It may refer to a county, a hydrologic region, etc. We will discuss how we will define it within the EO context.
- What emergency would warrant a State-mandated regional response that would apply to individual water supplier?
  - Response: For example, a grand jury issued a report that suppliers in Santa Barbara County could have responded to Lake Cachuma's over-withdrawal if the suppliers had coordinated at a regional level.

- [UAG Member]: Keep in mind that a statewide percentage reduction would not have improved these suppliers' resource management or infrastructure. That State should explore other methods to address the issue (e.g., streamline water transfers, provide funding, offer facilitation to reach a solution, etc.).

Discussion

1. Does the basic draft framework adequately improve local drought planning and better accountability and meet the objective of EO #8?

Participants expressed support for the general framework; however they shared several concerns with the possible process and details on how to implement the new requirements:

- DWR's review of WSCPs needs to clearly describe what and how WSCP requirements need to be strengthened to address the current plans' shortcomings.
- Water reliability assessment information that appears to be lacking in the current WSCPs may be readily available in other documents that water agencies produce:
  - Agencies' water supply master plan or a supply reliability analysis that outlines what actions to take under the worst case scenario
  - Suppliers' annual supply and demand analysis that they report to their Board of Directors.
  - Public Water System Statistics (PWSS) reports
  - Data reporting to SWRCB
  - California Public Utilities Commission (CPUC) reporting
  - CPUC and California Energy Commission (CEC)'s standards for resource planning and obtaining additional resources when needed
- Allow for flexibility in what criteria might trigger WSCP stages. Water agencies' water portfolios vary across the State and regions.
- [UAG Member]: The discussion paper states that WSCPs need more specific criteria for triggering stages and actions, which seems to contradict the following statement that stages need to have ranges of demand reduction targets. Ideally, this rigorous planning will help avoid a mandated statewide reduction from the State.
- If each supplier has its supplier-specific triggers for the WSCP stages, and suppliers implement their specific actions for a particular emergency stage, then enacting a statewide or regional conservation mandate seems unnecessary.
  - [Facilitator]: Summarizing discussions thus far: the EO State Agencies expressed that the intent for the new WSCP requirements is to avoid a statewide mandate (such as the recent % reduction mandates by previous Executive Orders) by preventing such an extreme emergency; however the State cannot ignore that such an emergency *might* occur. Many of the water agencies attending these workshops have robust plans. The intent is to build upon lessons learned. If you have a great model for the WSCP Project Team to consider, be sure to send that information to Kent Frame as soon as possible so the team can incorporate that into their recommendations.

2. What may be other key objectives of EO #8?

- EO State Agencies should not "manage to the lowest common denominator." Requirements should build California's resiliency to water shortages and not just aim to bring suppliers into compliance.

- [EO State Agencies]: Include the climate change risk projections that the California Water Commission recently approved for dams.
    - Response: The WSCP Project Team is exploring paleo records to understand historical trends in water availability.
- Standardized stages may possess certain complications; however it also provides an opportunity for water suppliers to engage customers and raise public awareness.
- [EO State Agencies]: We acknowledge that future mandates will occur; we want to ensure how those mandates are implemented will be more coordinated and effective than the recent drought response.

3. How could a water supplier quickly implement and fund a WSCP?

- The San Diego County Water Agency's drought response plan may serve as a useful case study of a successful program. The agency achieved a 36% reduction in water use.
- Avoid meshing supply-risk planning too much with drought-response planning. Risk planning often involves additional bureaucratic/administrative steps to implement, and drought response actions need to launch rapidly in an emergency.

F. Planning; Assessing Supply and Demand

(Refer to presentation slides 10-14, Appendix A)

Discussion

1. When performing drought risk analyses, should temporary supply augmentation sources be included before or after assessing actual or projected supply?

- The stress test may not necessarily help suppliers prepare for a worst case scenario (e.g., suppliers often use the drought in the 1970s as a worst case scenario for which to plan).

2. Where is WSCP consistency across a region or the State needed?

- The State should provide technical assistance to suppliers with fewer resources to conduct simulations that help predict future water availability. This will support greater consistency among WSCPs if more agencies have access to the same tools.
    - However, the State should also allow agencies to use a variety of models (e.g., different climate change models) to assess potential impacts from climate change.
- The stages should give suppliers more flexibility in how they respond to an emergency beyond demand reduction. A supplier may switch to groundwater or invoke a water transfer. If the State imposes a statewide conservation standard, suppliers cannot transfer water to those that may need it.
- WSCPs could include fiscal policy guidelines to avoid massive rate escalations during a drought. In Roseville, the agency established a fiscal reserve policy to stability rates during the drought because customers reacted so negatively to rate increases.
    - Response: This suggestion relates to the recently-passed SB 814, which requires urban water suppliers establish a rate structure or an excessive water use ordinance.
- Suppliers and the State should incorporate climate change impacts into their planning (e.g., plan for a ten-year drought) and catastrophic events (e.g., fires, earthquakes, etc.).
    - Suppliers should use scenarios that have a greater probability of occurring in their area. Historical data may be irrelevant in one area; another location may have a very low probability of experiencing a ten-year drought.

- Small communities on the outskirts of urban areas often suffer dry wells first. This is a predictable issue for which the State and suppliers can plan. WSCPs should include methods for transporting water to these communities in an emergency (e.g., drought, fires, etc.). The State should provide the technical and coordination assistance to prepare a region for this situation.
    - State agencies, County Office of Emergency Services, and water agencies need to meet and coordinate to prepare for drought emergencies. The response to the recent drought was often inhibited by tangled miscommunication.
    - Another example: the Sustainable Groundwater Management Act (SGMA) has been motivating local agencies to develop more coordinated systems to achieve groundwater sustainability for the whole basin.
    - Improved coordination among State and local agencies and a wider array of available strategies to address an emergency seems more aligned with the watershed-level management approach.

G. Responding and Reporting

(Refer to presentation slides 15-19, Appendix A)

Discussion

1. Are the local and State responses adequate?

- Suppliers need flexibility to use various strategies to adjust consumers' behavior that work for their local community (e.g., customers in one region did not significantly respond to the percentage reduction target).
- Since suppliers vary widely in their supplies and capabilities, perhaps EO State Agencies should explore a model stage rather than standardized WSCP stages. Then regions who need to work together can develop partnerships and other agencies can select models that suit their needs. This subtle difference offers agencies greater flexibility in their responses.
- The State must describe what may trigger a regional or statewide reduction mandate with the same level of detail that suppliers must provide in their UWMPs and WSCPs. If water agencies know exactly what might trigger State intervention, agencies can better plan to avoid such an outcome.
- Do EO State Agencies have enough resources to implement the proposed new WSCP requirements and/or conduct qualitative review of WSCP?
    - Response: That is partly why DWR is proposing to use the existing UWMP process for most of this effort.
- Is the State mandating "efficiency" or "conservation" objectives (*Slide 16*, *Appendix A*)?
    - Response: Perhaps the slide should say "conservation" rather than efficiency. The ultimate purpose for the WSCP is to increase efficiency and conservation. We wanted to create a link in the response to the EO "Use Water Wisely" effort with urban supplier-based targets within statewide standards. Therefore, in the case of an emergency that triggers statewide concern, the State's response would relate to those targets to assist responsive implementation. It also allows flexibility for agencies who already have good water conservation (e.g., would only need to conserve by 15% rather than 25%).
- SB X7-7 was a multi-year process that addressed long-term demand management; efficiency measures and targets achieved over a long period of time make sense in this context. Achieving long-term targets does not seem to relate to short term responses in the WSCPs.
    - SB X7-7's long-term targets are different from the WSCP *emergency* response process.

- "Long-term demand reduction" implies the State wants to cap supply augmentation investments. Consider phrasing it as, "long-term investment for short-term drought response capabilities."
- DWR and SWRCB are requesting similar data; they need to share data to develop a more coordinated and aligned approach in response to that data.
- Have EO State Agencies considered the fire emergency management and response system as a model for WSCPs?
    - Flood control response uses a similar system.
    - Response: The State utilized the SEMS structure of the first time to address this drought, and parties were not well-prepared or coordinated. A lot of lessons learned emerged from that experience.

2. Is the proposed level of reporting to the State sufficient?

- [UAG member]: What is realistic for the State to evaluate compliance? What are the repercussions for noncompliance? The State needs a robust compliance analysis and assistance process to help suppliers develop UWMP/WSCPs that considers large-scale and complex variables such as impacts on the watershed level, snowpack, climate change, etc.
    - [Facilitator]: Compliance evaluation, noncompliance repercussions, and technical assistance are all important topics for the RCE Project Team to discuss.

3. What would make reporting easier to submit and analyze?

- What is the extra level of effort to conduct/document/submit annual assessments and submit WSCPs with new requirements every five years with UWMPs?
    - Response: Uncertain at this point. Our proposal calls for an annual assessment that presumably would inform long-term planning. The supplier conducts the annual assessment internally unless an emergency invokes the WSCP. The intent is to use and improve existing systems to minimize changes in the level of effort.

H. Proposed State Standardized WSCP Stages

(Refer to presentation slides 20-21, Appendix A)

Discussion

1, How do we define baselines to evaluate conservation savings?

- If water suppliers already conduct highly-efficient water use practices, what is left to do if the State mandates another XX% reduction?
    - Efficient practices often means purchasing and using more efficient appliances and technology. There is always an opportunity to use those appliances less often (i.e. conservation).

2. What elements are incorporated into a trigger?

- [UAG member]: I still have some concerns about the statewide and regional triggers; however they can help the State identify where to target its resources. Specific questions about the triggers include:
    - How will the State use the statewide and regional triggers?
    - When do agencies conduct the assessments (should not be during winter)?

3. At what point does a trigger elicit a WSCP Stage?

- The current WSCPs already include a 50% shortage provision.

- The term "mandate" triggers water suppliers' apprehension about the level of State oversight and restrictions.
    - Response: We hear and understand your concerns. The proposed actions are not set in stone; we wanted to elicit your feedback on our initial thoughts. The WSCPs' goal is for the State to be prepared for the major, large-scale crises that warrant State response. What we hear from you is that the State needs to explicitly describe those triggers and what the mechanism for implementation might be.
    - [Facilitator]: The RCE Project Team will also discuss these issues.
- Consider redefining "stages." Normally "stages" refers to the hydrologic conditions of supply and demand, rather than the response to those conditions.

I. Closing Comments

Kent asked attendees to send the WSCP Project Team examples, case studies, reports, notes, etc. that will help the Project Team better understand what information currently exists and how others have approached their water shortage contingency planning.

J. Attendees

Full Name	Affiliation
Jim Peifer*	City of Sacramento
Laurel Firestone*	Community Water Center
Conner Everts*	Environmental Justice Coalition for Water
John Woodling*	Regional Water Authority
Chris Brown	CB Consulting
John Brady	Central Coast Water Authority
Jim Mulligan	City of Roseville
Kelye McKinney	City of Roseville
Mary Lou Cotton	Consultant
Chris Dundon	Contra Costa Water District
Kim Lin	Contra Costa Water District
Stefanie Olson	Dublin San Ramon Services District
Paul Schubert	Golden State Water Company
Paul Helliker	Humboldt Bay Municipal Water District
John Mills	Office J S Mills
Mike Rossiter	Peterson Brustad, Inc
Linda Yager	Placer County Water Agency
Amy Talbot	Regional Water Authority
Carlos Smith	Sacramento County Water Agency
Greg Bundesen	Sacramento Suburban Water District
Tracy Hemmeter	Santa Clara Valley Water District
Carrie Pollard	Sonoma County Water Agency

Gary Arant	Valley Center MWD / San Diego CWA

**UAG Member*

Agency and Consultants

Name	Agency / Organization
Diana Brooks	Department of Water Resources
Kent Frame	Department of Water Resources
Dave Todd	Department of Water Resources
Gwen Huff	Department of Water Resources
Fran Spivy-Weber	State Water Resources Control Board
Kathy Frevert	State Water Resources Control Board
Greg Young	Tully & Young
Leah White	Tully & Young
Yung-Hsin Sun	MWH
Stephanie Lucero (Facilitator)	Center for Collaborative Policy
Stephanie Horii	Center for Collaborative Policy

The following Agencies/Organizations attended via Webinar:

Akel Engineering Group, Inc
Alameda County WD
BAWSCA
Brown and Caldwell
BVWD
California Building Industry Association
Camrosa Water District
CCWD
City of Fairfield
City of Modesto
City of Pittsburg
City of Roseville
City of Ventura Water
Coastside Water District
CPUC
Del Oro Water Company
DWR
EBMUD
Great Oaks Water Company
Kennedy/Jenks Consultants
LADWP
Manage Water Consulting, Inc.
North Marin Water District
OMWD
San Francisco Public Utilities Commission
San Jose Municipal Water System
San Jose Water Co.
San Juan Water District
SDCWA
Solano County Water Agency
Sweetwater Authority
Tuolumne Utilities District
VOMWD
Water Systems Consulting, Inc.
West Basin MWD

K. List of Appendices

- Appendix A – Presentation Slides
- Appendix B – Draft Discussion Paper for Improved WSCP
- Appendix C – Executive Order B-37-16